

Message Text

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SUBJ: ASSISTANCE TO U.S. BUSINESS

REF: STATE 14670

1. THE PRESIDENTIAL LETTER CONCERNING THE IMPORTANCE OF
EXPORT PROMOTION AND ASSISTANCE TO U.S. BUSINESS PROMPTS
THIS MESSAGE IN REPLY. I CERTAINLY AGREE THAT WE MUST
CONTINUE TO IMPROVE OUR EFFORTS TO PROMOTE U.S. EXPORTS AND
SUPPORT U.S. INVESTMENT ACTIVITIES ABROAD.

2. APART FROM THE SPECIAL CASE OF SOUTH AFRICA, GHANA IS
OUR SECOND BEST TRADING PARTNER IN SUB-SAHARAN AFRICA,
AFTER NIGERIA. U.S. EXPORTERS ALREADY ENJOY THE LEADING
POSITION
(ABOUT ONE-SIXTH) IN THIS BILLION DOLLAR MARKET,
SELLING PRIMARILY CHEMICALS, MACHINERY AND OTHER MANUFACTURED
GOODS, AND FOOD. U.S. PRODUCTS ARE GENERALLY POPULAR
AND WELL-KNOWN HERE. GHANA FINANCES ALMOST ALL ITS IMPORTS
FROM ITS OWN EXPORT EARNINGS; ONLY A VERY SMALL PORTION
COMES IN UNDER TIED BILATERAL AID. THIS SITUATION OFFERS
OPPORTUNITIES FOR EXPANDING OUR SHARE OF THESE FREE FOREIGN
EXCHANGE-FINANCED IMPORTS. A MAJOR AREA WHERE SUCH AN EX-
PANSION COULD COME IS EQUIPMENT FOR GHANA'S SECOND LEADING
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INDUSTRY, LOGGING AND TIMBER. TO HELP MEET THIS OPPORTUNITY,
WE HAVE SCHEDULED A FORESTRY AND WOOD PRODUCTS CATALOGUE
SHOW FOR MAY OF THIS YEAR.

3. THE CLIMATE FOR INVESTMENT HERE IS ADVERSELY AFFECTED
BY UNSUITABLE MACRO-ECONOMIC POLICIES, A POOR RECORD OF
REMITTING PROFITS AND DIVIDENDS AND DILATORY PAYMENT OF

OUTSTANDING SHORT-TERM DEBTS. IN THE PAST FEW MONTHS, I HAVE RAISED WITH THE HEAD OF STATE, THE FINANCE COMMISSIONER (MINISTER) AND THE CENTRAL BANK GOVERNOR THE PROBLEM OF REMITTANCES OF BEHALF OF SUCH AFFECTED U.S. FIRMS AS PANAM, MOBIL AND TEXACO. I HAVE ALSO DISCUSSED THE ADVERSE EFFECT OF GHANA'S MISMANAGED FOREIGN EXCHANGE RESOURCES AND ECONOMIC POLICIES ON KAISER ALUMINUM AND OTHER U.S. INVESTORS HERE. THE PROBLEM WITH THE GREATEST POTENTIAL FOR ADVERSELY AFFECTING US-GHANAIAI RELATIONS CONCERNS REMITTANCES OF THE PROCEEDS FROM THE SALE OF SHARES PURSUANT TO A GHANAIAI INVESTMENT POLICY DECREE. THE U.S. FIRMS CONCERNED HAVE RECEIVED PROMPT AND ADEQUATE COMPENSATION FOR THE FORCED SALE OF ASSETS UNDER THAT LAW. BUT THE COMPENSATION IS NOT EFFECTIVE SINCE THEY HAVE NOT YET BEEN ABLE TO REMIT THE LOCAL CURRENCY PAYMENTS IN FOREIGN EXCHANGE. WE HAVE BEGUN THE PROCESS OF ALERTING SENIOR GHANAIAI OFFICIALS TO U.S. LAWS CONCERNING EXPROPRIATION WITHOUT EFFECTIVE COMPENSATION, AND I AM CONFIDENT WE CAN RESOLVE THIS ISSUE OVER TIME WITHOUT DAMAGE TO OUR EXCELLENT RELATIONS WITH GHANA. SMITH

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